

**MINUTES OF THE
GOVERNOR'S BOARD OF ECONOMIC DEVELOPMENT**

October 9, 2008 • 10:00 a.m. to 12:00 p.m.
324 South State Street, 5th Floor
Salt Lake City, Utah

Members Present: Amy Rees Anderson, Jack Brittain, Mary Draper, Stanley Ellington, Molonai Hola, Nikos Linardakis, Richard Nelson, Jerry Oldroyd, Jim Sorenson, Gerald Sherratt

Members Absent: Bill Boyle, Mike Dowse, Mel Lavitt, Cliff White

Visitors: Erick Allen, Todd Brightwell, Jeff Edwards, Stacey Floyd, Reed Taft Jacobs, Ronda Robbins Jones, Peter Klinge, Brice Wallace

Staff: Luke Behrmann, Clark Caras, Doug Clark, Tamy Dayley, Sophia DiCaro Goodick, Amy Hamblin, Fred Lange, Bill Loos, Derek Miller, Christina Oliver, Ryan Starks, Michael Sullivan

Welcome – Approve September 2008 Minutes

MOTION: Jack Brittain moved to approve the minutes of the September 11, 2008 GOED Board Meeting. Jerry Oldroyd seconded the motion. Motion carried unanimously.

Duncan Aviation

Project Highlights

- Build up to 320,000 square foot aircraft maintenance hanger, paint hanger and office facility
- Target Industry: Aviation and Aerospace
- Proposed Location: Provo City Municipal Airport
- Capital Investment: \$58,000,000

Jobs and Revenue

- 650+ New Full-time Positions created over 15 years
- Average wage exceeds 150% of Utah County Median Wage
- \$336+ Million New State Wages over 15 years
- New State Revenue over \$22 million in that same time period

Local Incentives

- Local incentive proposal reviewed and approved by GOED Incentives Committee.

It was explained that the capital investment is going towards expanding the runway. Only city funds are being used on airport improvements. There has been a great partnership with Provo City on this project. There was brief discussion on training and workforce.

MOTION: Jack Brittain moved to approve for Duncan Aviation a \$6,643,293 maximum refundable tax credit based on 30% of new state revenue over 15 years. Nikos Linardakis seconded the motion. Motion carried unanimously.

- Incentives provided post-performance upon review and verification by GOED
- Maximum incentive not to exceed 30% of new state revenues over 15 years, with contractual provision for the recapture of any funds paid to the company in excess of what the company is entitled to
- Total project average new employee salaries to be at least 150% of Utah County median wage
- Must commit to keep operation in Utah for at least 15 years
- Subject to Local Incentive

Delta Airlines

Request

- \$250,000 as an Economic Opportunity Grant from the Industrial Assistance Fund to recruit a Delta Airlines direct flight from Salt Lake City to Tokyo Japan.

Project Highlights:

- Begin first direct flights from Salt Lake City to Tokyo
- Will make other Asian markets, including Korea and China, more accessible
- Economic impact greater than \$90,000,000 (Delta estimate)
- Local job creation of at least 1,100 jobs (Delta estimate)

- Increased tourism with easier access to national parks and ski slopes for foreign visitors
- Increased travel options for Utahns

Other Contributions

- The Economic Opportunity Grant is a portion of approximately \$2 million, which includes contributions from:
- Salt Lake City, Dept. of Airports
- Salt Lake County
- Salt Lake Chamber of Commerce
- Department of Travel and Tourism
- Economic Development Corporation of Utah

Delta would like to begin the flights by the middle of 2009. The success and benefits of the Delta Salt Lake City to Paris flight were discussed. There was also discussion on the flight being approved and the process that it would take.

MOTION: Jerry Oldroyd moved to approve an Economic Opportunity Grant of \$250,000 from the Industrial Assistance Fund for Delta Air Lines to fund the start-up of direct flights from Salt Lake City to Tokyo, Japan. The grant is conditioned on fulfilled commitments of assistance by Salt Lake City, Salt Lake County, Salt Lake Chamber of Commerce, and the Economic Development Corporation of Utah. The Grant is to be paid after the maiden voyage of the Delta Salt Lake to Tokyo flight. Amy Rees Anderson seconded the motion. Motion carried unanimously.

EDZONES

MALNOVE – CLEARFIELD CITY, UTAH

Approve the creation of an Economic Development Zone for Clearfield City in support of their letter of request and map detailing the boundaries of the Malnové Project located approximately at 200 South St. to 1700 South St. between the Utah Transit Authority's Commuter Rail line and 1000 West in Clearfield (more commonly known as the Freeport Center).

BOART LONGYEAR – SOUTH JORDAN CITY, UTAH

Approve the creation of an Economic Development Zone for South Jordan City in support of their letter of request and map detailing the boundaries of the Boart Longyear Project located at 10808 S. Riverfront Parkway, Suite 500.

TOP TEN REVIEWS – OGDEN CITY, UTAH

Approve the creation of an Economic Development Zone for Ogden City in support of their letter of request and map detailing the boundaries of the Top Ten Reviews Project located at 2425 Lincoln.

eBay –SOUTH JORDAN CITY, UTAH

Approve the creation of an Economic Development Zone for South Jordan City in support of their letter of request and map detailing the boundaries of the eBay Project located at the Daybreak Commerce Park.

MOTION: Jerry Oldroyd moved to approve the Economic Development Zones (EDZONES) as outlined above. Gerald Sherratt seconded the motion. Motion carried unanimously.

GOED Report

Jason Perry, GOED Executive Director, presented the current issue of Business Facility magazine. Utah was featured in this issue; each board member received a copy. A list of the recent rankings and accolades were handed out. Mr. Perry reported on the state budget. All agencies had to offer a certain percentage of their budgets to be cut. GOED will be Presenting the new Motion Picture Incentive Fund legislation at the Workforce Services and Community and Economic Development Interim Committee. Upcoming legislative issues include healthcare, workforce development, the UCAT system and energy related issues. Board Member, Rich Nelson, discussed the importance of quality workforce and what his group is working on for the next legislative session. Mr. Nelson also discussed the advancement of STEM and educational requirements for K-12. Training incentives were also discussed.

Stacey Floyd, Department of Workforce Services, presented on Utah's jobs growth, unemployment rate, and growing Utah industries. Keith Woodwell, Director of the Division of Securities, reported on the status of the current economy, Utah regulations and recent events on Wall Street.

Derek Miller, GOED Managing Director of Recruitment and Incentives, gave an update on the Incentives Program.

Meeting adjourned.